

## STATE OF MAINE DEPARTMENT OF ENVIRONMENTAL PROTECTION

JOHN ELIAS BALDACCI GOVERNOR DAWN R. GALLAGHER

April 28, 2005

Mr. Stephen Silva, Chief Water Quality Branch U.S. Environmental Protection Agency Region 1 1 Congress Street, Suite 1100 Boston, MA 02114-2023

RE: UAA Approval for Ragged and Seboomook Lakes

Dear Steve,

I am writing at the request of Senator Martin of the Legislature's Natural Resources Committee. Senator Martin requested clarification on EPA's basis for approval of the UAA at a recent committee session.

As you know, by letter dated February 7, 2005, the DEP submitted for EPA review and approval Volumes I & II of a Use Attainability Analysis (UAA) prepared for Ragged and Seboomook Lakes.

In your response letter of April 5, 2005 to Andrew Fisk, Director, Bureau of Land and Water Quality, you indicated that attainment of the Class GPA designated use for aquatic life and habitat was not feasible for Ragged and Seboomook Lakes for the reason provided in 40 C.F. R. § 131.10(g)(3), "Human caused conditions or sources of pollution preclude the attainment of the use and cannot be remedied or would cause more environmental damage to correct than to leave in place." This conclusion was based on that fact that the drawdowns necessary to meet current water quality standards would lead to the abandonment of the GLHA Storage Project (including Canada Falls Lake, Ragged Lake, Seboomook Lake, and Caucomgomoc Lake) and the resulting upstream movement of invasive non-native species into the West Branch Penobscot watershed above Seboomook Dam.

However, your letter did not address whether attainment of the Class GPA designated use for aquatic life and habitat was not feasible for Ragged and Seboomook Lakes for the reason provided in 40 C.F. R. § 13\(\frac{1}{2}\).10(g)(4), "Dams, diversions or other types of hydrologic modifications preclude the attainment of the use, and it is not feasible to restore the water body to its original condition or to operate such modification in a way that would result in attainment of the use."

Both the DEP and the storage project owner, Great Lakes Hydro America, have spent significant time and effort preparing and analyzing data on the economic feasibility of operating the dams with the drawdowns necessary to meet current water quality standards. The result of this analysis was that operating the storage project lakes with the limited drawdowns (4.5-5.5 feet) needed to meet current water quality standards would result in a negative net annual economic value of about \$1.8 million. This result is due to the significant cost of modifying the dams for winter gate operation while maintaining the structural safety of the dams (which, due to their remote location and lack of on-site power, is a major undertaking,) and is due to the limited economic value of project operation to downstream power generation that would remain at these drawdowns.

GLHA also provided additional information on the economic feasibility of general alternative drawdowns following requests by EPA after the Board's decision on the UAA.

Indeed, based on its independent analysis, the Board of Environmental Protection found that "the Storage Project would not be economically viable if operated in the manner necessary to attain aquatic life standards." See BEP Order dated November 17, 2004, at page 10. It was on the basis of this economic analysis, as well as the analysis of the environmental impacts of allowing access for invasive species to the watershed above Seboomook dam, that the Board found attainment of the designated use of Ragged and Seboomook Lakes as habitat for fish and other aquatic life was not feasible and voted unanimously to recommend that the Maine Legislature adopt a subcategory of this use for these lakes.

Therefore, on behalf of the DEP and GLHA, and at the request of the Legislature's Committee on Natural Resources, I request that EPA find that the UAA for Ragged and Seboomook Lakes satisfies the criteria of 40 C.F. R. § 131.10(g)(4).

I really appreciate all the hard work that your staff put into this UAA, it was invaluable in moving this important project along. We were clear to point out to the Natural Resources Committee that how integral EPA was to the completion of this project.

Thanks, and I look forward to hearing from you.

Sincerely,

Dawn R. Gallagher

Commissioner

Cc: Senator John L. Martin David Preble, GLHA Andy Fisk, DEP Linda Murphy, EPA